

### The Pair in Charts:


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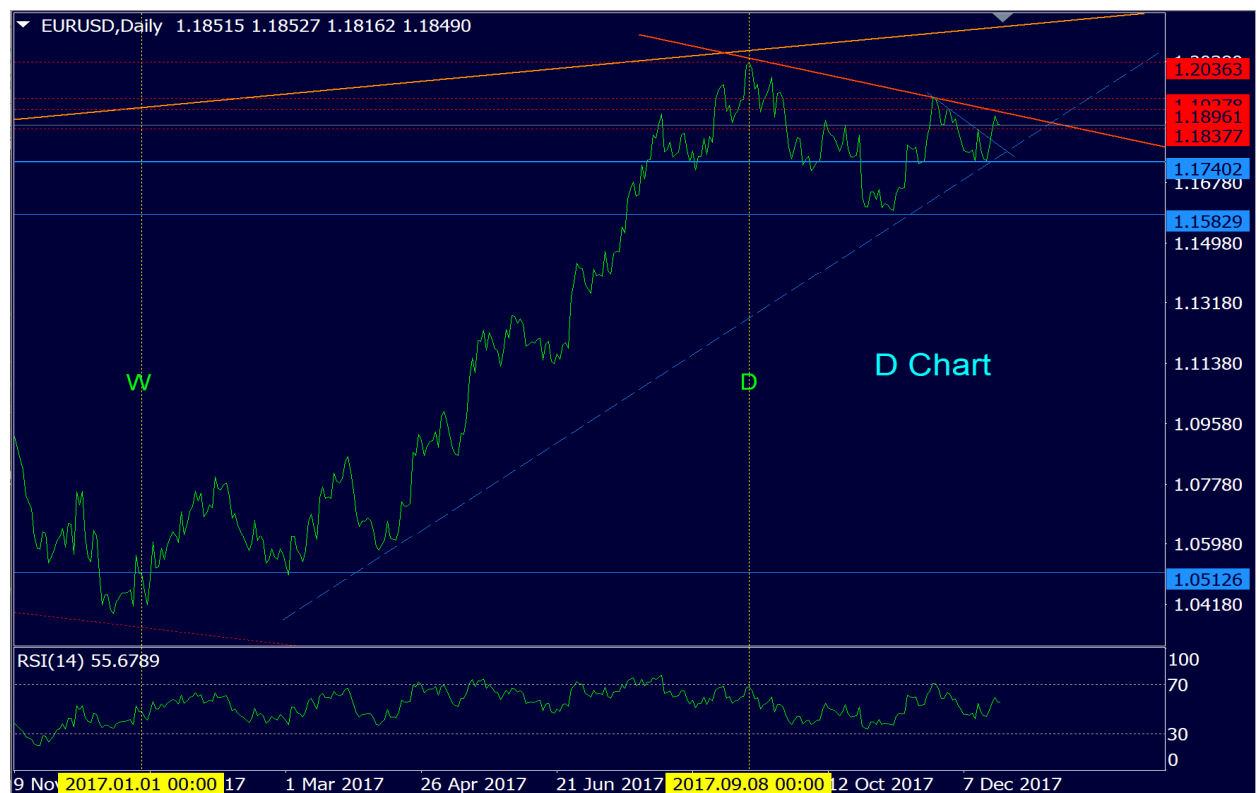
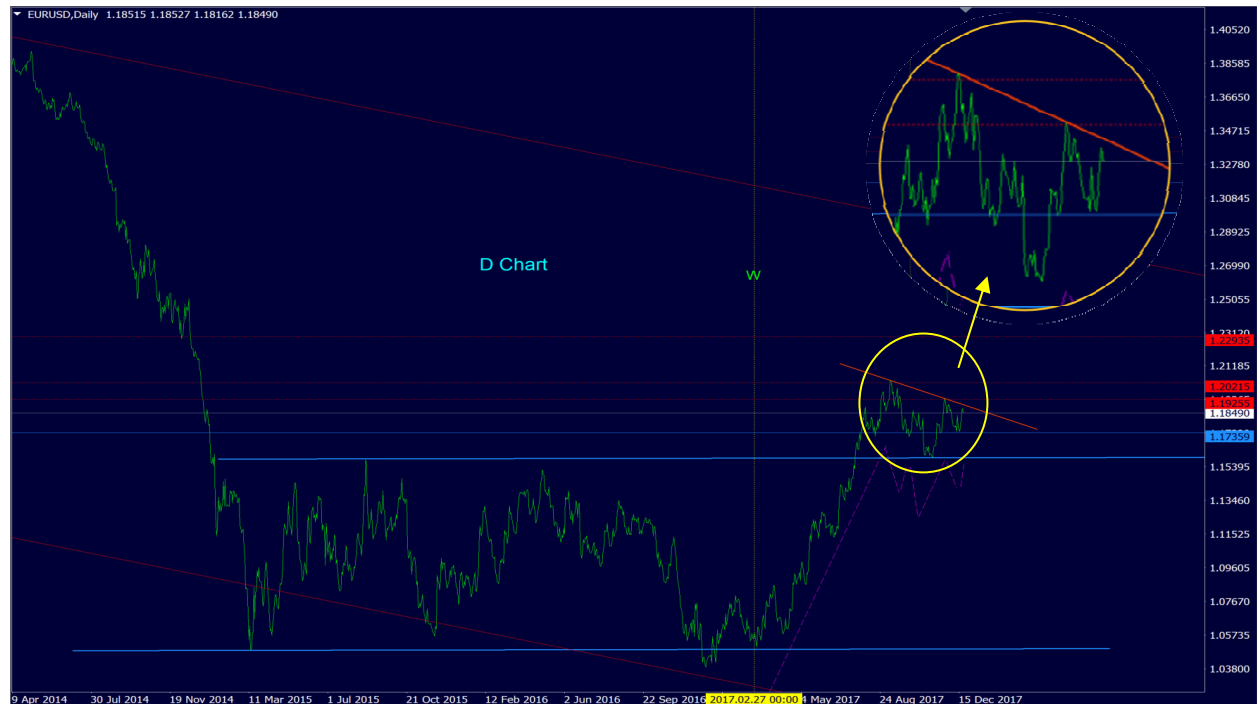
Daily Technical Analysis Report

#### Risk Disclaimer:

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It is not a recommendation to buy or sell the pair under research. Investors must fully understand that they are taking investment or trading decisions at their own risk, without assuming the analyst or Osoul Research as liable for any losses or damage which might occur to their account.

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Trading Scope: <b>Medium &amp; Short Term</b>				Trading Preferences: <b>HOLD</b>		
Main Trend (W): <b>Up</b>		Inter. Trend (D): <b>Cons. / Correction</b>		Short-Term Trend (H4): <b>Up</b>		
<b>S1</b>	1.1837	M	<b>Current Price</b> 1.1849	<b>R3</b>	Neckline (Up. B.)	S
<b>S2</b>	Lower Boundary	S		<b>R2</b>	1.1920	S
<b>S3</b>	1.1736	S		<b>R1</b>	1.1203	M
<b>S#</b> : Support	<b>R#</b> : Resistance	<b>S</b> : Strong	<b>M</b> : Medium	<b>W</b> : Weak		

**MN Chart:** Our analysis will start from March 2008. The general trend is a secular down channel, its last down wave (starting the vertical dotted magenta line – April 2014)), is mostly ended due to:

- The clear divergence between the price action and both the MACD & RSI,
- A triple bottom reversal pattern, and,
- The breakout above a sideways base (1.0489 - 1.1461) that lasted for almost three years, starting a new uptrend / wave (the vertical yellow line marked W).

Note how the price is approaching two important resistance areas on the MN chart:

- The horizontal resistance @ **1.1920**. (the magnified circle on the MN chart)
- The inverted trend line colored in orange on the same chart (the blue arrow).

Due to the nature of the FX market that favors short-term trading, and in order to help focus on the most recent price action, our analysis on the weekly chart will start from the last up wave (the vertical yellow line marked W), while our analysis on the daily chart (the core of this report) will focus only on the current inverted head & shoulder pattern – the symmetrical triangle on the W chart - (the vertical yellow line marked D on the W chart); support & resistance levels from previous waves will not be ignored though.

#### **W Chart:**

- Despite the general trend is an uptrend (starting the vertical yellow line marked W on the MN & W charts above), the price is currently consolidating in a symmetrical triangle (the yellow circle on the W chart), kindly notice how the price action is approaching the apex, leaving a very small room for fluctuation or generating any meaningful rooms. Our let's take a closer look on this triangle on the D chart.

#### **D Chart:**

- A close inspection though to this triangle on the daily chart reveals a continuation Head & Shoulder pattern within; it is what confirms the expected bullishness in the general EUR / USD coming general trend.
- The first daily chart above, simply shows the following:
  - o The current trend / wave is up, confirmed after breaking out above the sideways base **1.048 - 1.1584**, that lasted almost 2 years (Jan. 2015 – July 2017).
  - o After breaking out above the previously mentioned sideways / base, the price did test the upper boundary, the correction took the form of a continuation H&S, which confirms the new price tendency.

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- The first support to consider is the one @ **1.1740** (the low of the right shoulder). The next considerable support, & which the price is unlikely to reach will be the low of the head @ **1.1584**, and which is also the upper boundary of the broken sideways.
- A confirmed buy, would be only after a decisive breakout above the neckline of the continuation H&S pattern (the inverted orange trend line on the two daily charts above).
- Kindly notice that the neckline is also very close to a very important resistance on the MN charts **1.1920**.
- The behavior of the price on big timeframe charts (MN & W), overrides the price action on smaller ones (D, H4...etc.). On the MN chart above the price is approaching two important resistance lines (**1.1920**) – very close to the neckline of the inverted H&S continuation pattern on the D chart above-, and the inverted trend line colored in orange on the same MN chart.
- On the other hand the price action in the W chart is currently approaching the apex of the symmetrical triangle the price currently consolidating within, leaving a very small room for any meaningful moves.
- With all of this in mind, and with the bullishness tendency of the general trend of the pair, don't expect any meaningful moves in either direction. Get ready to buy only when a confirmed breakout above both **1.1920** & the inverted orange trendline on the MN chart above (the blue arrow on the MN chart).

### **Final Conclusion:**

The general trend is up. Wait till a confirmed breakout above **1.1920** & the inverted trendline on the MN chart to initiate a long position.

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## The News:

- Trading the news release is gambling not trading. Professionals don't trade the news; professionals trade the reaction of the news.
- Unless it is extremely fundamentally strong & which is rare, news could only be considered as a short term patterns with a short term affect on the price action.
- According to our conclusion above, the EUR/USD has a bullish breadth and tendency; based on that (after a confirmed breakout above **1.1920**, our recommended strategy for the news release will be as the following:
  - Make sure to know the news release schedule of each day.

### **If you don't have any open position:**

- Stop trading before any news release.
- Open the 5 mins chart, and watch how the price will responds to the news on the 5 mins candle.
- In our case, the pair has a bullish tendency & favors long positions only, if the price reacted down for any bad news, wait for an up breakout or a bullish candle pattern to establish a long position, keep your SL below the low of your entry candle.
- If the news were good, wait for a breakout above the last high & establish a long position, with setting your SL also below the low of the entry candle. The only exception for that is if the news' candle was extremely long (a prolonged candle), prices will mostly tend to halt down for a while after a prolonged candle; or worse, have a correction before continue its original move; if you have a prolonged candle, wait for the end of the expected correction (either sideways or even a countertrend), before establishing your position. (Patience is a virtue!)

(N.B: you can't control how much profits you are going to make, the only thing you can control is your losses, even if the price continued up after a prolonged candle, you still avoided a big chance of a possible loss, or unnecessary risk of being stuck in the market in case the price decided to hang out there for a while. New trading chances always comes back, the dollar you lose don't!)

### **If you already have an open position:**

- Tighten your SL.
- If the move went in your favor, liquidate immediately most of your position, you already got the best of the move.
- If the move didn't go in your favor & you didn't get stopped out, wait! You already got the worse of it; waiting for the close will increase the chances of a better exit price for you, and a smaller loss.

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## Abbreviations

### Currencies\*:

- **USD:** United States Dollar.
- **GBP:** Great British Pound.
- **EUR:** European Euro.
- **JPY:** Japanese Yen.
- **CAD:** Canadian Dollar.
- **NZD:** New Zealand Dollar.
- **AUD:** Australian Dollar.

\* To increase the odds of success in trading FX, our analysis will be limited to the currencies of the major economies only. Reports for all other pairs are available per-request.

### Chart Time Frames:

- **MN:** Monthly Chart.
- **W1:** Weekly Chart.
- **D1:** Daily Chart.
- **H4:** 4 Hour chart.
- **H1:** 1 Hour Chart.
- **M30:** 30 Minutes Chart.
- **M15:** 15 Minutes Chart

### Technical Concepts:

- **S.:** Support.
- **R.:** Resistance.
- **TL:** Trend Line.
- **PT:** Profit Taking.
- **SL:** Stop Loss.
- **BE:** Breakeven. (Setting your SL at your entry price.)
- **LO:** Limit Order, either an entry or exit order to buy or sell the security at a given price or better.
  - **BLO:** Buy Limit Order, a buy order to be executed only on the given price or lower.
  - **SLO:** A Sell Limit Order, a sell order to be only executed at a given price or higher.
- **SO:** Stop Order (also referred to as a stop-loss order) is an order to buy or sell the security at a given price or worse, in order to either limit the loss, or avoid missing the move.
  - **BSO:** Buy Stop Order, is an order to buy the security at a given price or higher.
  - **SSO:** Sell Stop Order, is an order to sell the security at a given price or lower.

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